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Pakistan

Oilseeds and Products

Annual

2007

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Report Highlights:
Pakistan's production of oilseed, meal and oil are expected to increase marginally due to enhanced local supplies of oilseeds. In order to meet national requirements heavy import of oilseeds and oil will be made to augment local supplies. Meal trade is anticipated to increase with the expanding poultry sector. Ghee remains popular and demand for palm oil should remain strong. Consumer awareness is on the increase for substituting the vegetable oil for animal fats as well as the quality effects of unsaturated versus saturated oil.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Islamabad [PK1]
[PK]

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Executive Summary

Pakistan is one of the major edible oil and oilseed importers in the world. Its imports represent the country's fifth highest expenditure on national exchequer. Oilseed production is encouraged by the government as an important way of saving scarce foreign exchange, otherwise used for their imports. However, efforts to increase production have not been successful and significant increases appear unlikely in the foreseeable future. Somehow, oilseed production has been maintained to the level that helped the import versus local production ratio static at 70:30 for the last ten years.

MY 2007/08 Oilseed production is forecast to increase marginally due to anticipated growth in cotton, sunflower and rapeseed area and productivity. Enhanced production, however, will play a minor role in responding to overall requirements necessitating imports. Over the past several years oilseed imports have increased in response to government policy for supporting domestic solvent extraction industry. The policy intent is to enable local producers to capture the value-added benefits from local meal and oil production, and thereby assist in development of a viable industry necessary to stimulate local oilseed production.

MY 2007/08-Meal production is forecast to increase by 4 percent due to an enhanced supply of local and imported oilseeds; however, the overall import of soybean meal is forecast to increase due to expanding poultry sector after Avian Influenza outbreak last year. Local processors had been importing soybeans meal to satisfy the demand from the poultry sector, and the inclusion of soybean meal in mixed-feed formulations has been on the increase.

In MY 2007/08 Oil imports are forecast to increase by 6 percent mainly due to increased demand of a growing population along with better health awareness regarding the substitution of vegetable oils for animal fats. Palm oil remains the primary imported oil.

OILSEEDS

Production

MY 2007/08 total domestic oilseed production is forecast to increase by 3 percent over the prior year's output due to anticipated productivity increase in cotton, sunflower and rapeseeds. High prices for these commodities in the previous year would impact yield enhancement.

MY 2006/07 oilseeds production was 5.27 MMT, 2 percent less that the previous year, whereas, anticipated production for the forecast year is 5.42 MMT.

<u>Cottonseed:</u>

Pakistan's principle oilseed crop, cottonseed, typically accounts for about 80-90 percent of total domestic oilseed production. Cottonseed, a byproduct of seed cotton, is grown primarily for lint, the basic input for Pakistan's important textile industry. Oil and meal are secondary products.

MY 2007/08-cottonseed production is forecast to increase by about 2 percent over the prior year's output due to increased productivity through the use of Biotech seeds. This year farmer's feel tuned up as a result of better price incentives during the previous cotton-marketing year and sustained demand from industrial sector.

MY 2006/07-cottonseed production decreased by 9 percent over the prior year's output due to the wet weather conditions/floods and wide spread attack of Cotton Leaf Curl Virus (CLCV).

Rapeseed:

Traditionally, rapeseed is produced for use in fodder (mixed with wheat straw) and for oil. Domestic rapeseed accounts for 5-7 percent of total oilseed production in Pakistan. The Government's stated goal is to increase production of canola, but has made little progress towards achieving this goal during the last few years. Efforts to replace rapeseed and mustard seed with high-yielding canola have not advanced substantially due to its limited adjustment in cropping patterns, lack of availability of potential local hybrid seed, high cost of imported hybrid seed, susceptible to serious pest attack and problems in marketing the higher value products.

MY 2007/08-rapeseed production is forecast to increase by 4 percent due to conducive weather, better prices and procurement incentives offered to growers by the solvent industry.

Sunflower seed:

MY 2007/08 sunflower seed production is forecast to increase by 2 percent due to increased area under cultivation and higher farm gate prices (over Rs. 940 per 40 Kg) being offered to the growers by the solvent industry.

MY 2006/07 sunflower seed production increased by 49 percent then previous harvest due to better weather conditions during growing season, stronger market demand for soft oil and better market returns.

Government Support

Oilseed production is not encouraged by a support price mechanism and there is no procurement by the state. GOP maintains low policy priority to oilseed crops as still there is non-availability of quality seed at economical prices, lack of coordination among research organization and non-availability of suitable machinery for planting, harvesting and threshing operations, improper dissemination of site specific production technologies and lack of research based crop management.

The concessional import of oilseeds to assist development of a viable oil processing industry has been effective. The industry is now in a relatively better position to help growers increase oilseed production. In MY 2005/06 the solvent extraction industry offered better prices and technical services to the sunflower growers resulting in increased planting and production during the following year.

Consumption

Pakistan's crushing industry has improved efficiency by overhauling the older and installing the newer solvent extraction plants with high tech.equipments. Industry capacity is estimated at 5 MMT, with older plants 1.5 MMT and newer plants holding 3.5 MMT. During the 1990's the solvent extraction industry was estimated to operate at 50 percent installed capacity. With raw material more readily available thru importation, the solvent industry is now operating at an estimated 70 - 75 percent of installed capacity.

Trade

MY 2007/08 Oilseed trade is forecast to expand by 6 percent as crushing margins improve with recent changes in the import duty structure. Imports are expected to consist of: rapeseed/canola (830,000 MT), and soybeans (50,000 MT). In June 2005, the GOP exempted oilseeds from custom duty and sales tax. It encouraged import of rapeseed and sunflower seed over soybeans because the sales tax applied for the meal by-product differed by commodity. However, the anomaly was resolved and soybean meal was granted zero-rated sales tax status. This could have restarted, but was prevented due to high international freight structure of soybean import. All vegetable oils, however, are assessed a fixed custom duty along with 15 percent sales tax on import and supply.

MY 2006/07 oilseed imports were 820 thousand metric tons, more than the previous year's imports to augment local supplies. Oilseed were imported due to lower tariffs structure as compared to tariffs on meal and oil, which influenced crushing margins significantly. Changes allowed the industry (and the economy) to capture the value-added benefits from the local crush, mainly at the expense of imported Indian soybean meal and palm oil. Rapeseed/canola seeds are sourced primarily from Canada and Australia. At present, there is no Sunflower seed import due to higher freight charges. At the same time local production is on increase due to strong market demand for soft oil by the solvent industry / consumers.

Table 1: Oilseed Imports (MT)

Commodity	**MY 2005/06**	**MY 2006/07**	**MY 2007/08**
Canola/rapeseed	753,000	790,000	830,000
Sunflower seed	0	0	0
Soybeans	2,000	30,000	50,000
Total	**755,000**	**820,000**	**880,000**

Table 2: Total Oilseeds Production, Supply and Demand

Country Pakistan

Commodity: TOTAL OILSEEDS

	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate New	
Market Year		10/200	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	3170	3702	3784	3275	3757	4012	0	0	3712	(1000 HA)
Area Harvested	3586	3500	3784	3736	3707	3755	0	0	3712	(1000 HA)
Beginning Stocks	160	0	0	0	0	0	0	0	0	(1000 MT)
Production	4912	5183	5381	4890	5453	5266	0	0	5421	(1000 MT)
MY Imports	836	671	755	655	760	820	0	0	880	(1000 MT)
MY Imp. from	10	0	0	12	50	30	0	0	50	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	5908	5854	6136	5545	6213	6086	0	0	6301	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	5209	5213	5440	4864	5531	5446	0	0	5631	(1000 MT)
Food Use Dom.	0	0	2	0	0	2	0	0	2	(1000 MT)
Feed Waste Dom.	699	641	694	681	682	638	0	0	666	(1000 MT)
Total Dom. Cons.	5908	5854	6136	5545	6213	6086	0	0	6299	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	5908	5854	6136	5545	6213	6086	0	0	6299	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 3: Cotton Seed Production, Supply and Demand

Country	Pakistan									
Commodity	Oilseed, Cottonseed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted (Cotton)	3170	3229	3229	3275	3260	3360	0	0	3000	(1000 HA)
Area Harvested (Cotton)	3100	3027	3193	3250	3210	3103	0	0	3000	(1000 HA)
Seed to Lint Ratio	0	67	67	0	67	67	0	0	67	(RATIO)
Beginning Stocks	160	0	0	0	0	0	0	0	0	(1000 MT)
Production	4422	4422	4850	4400	4624	4426	0	0	4529	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	4582	4422	4850	4400	4624	4426	0	0	4529	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	3995	3850	4220	3820	4024	3851	0	0	3940	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	587	572	630	580	600	575	0	0	589	(1000 MT)
Total Dom. Cons.	4582	4422	4850	4400	4624	4426	0	0	4529	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	4582	4422	4850	4400	4624	4426	0	0	4529	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 4: Sunflower seed Production, Supply and Demand

Country	Pakistan									
Commodity	Oilseed, Sunflower seed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	0	0	0	(1000 HA)
Area Harvested	184	340	325	184	350	405	0	0	450	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	228	565	348	228	612	520	0	0	560	(1000 MT)
MY Imports	5	0	0	10	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	233	565	348	238	612	520	0	0	560	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	218	548	333	224	595	515	0	0	545	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	15	17	15	14	17	15	0	0	15	(1000 MT)
Total Dom. Cons.	233	565	348	238	612	520	0	0	560	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	233	565	348	238	612	520	0	0	560	(1000 MT)
CY Imports	5	0	5	10	0	10	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 5: Rapeseed Production, Supply and Demand

Country	Pakistan									
Commodity	Oilseed, Rapeseed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	0	0	0	(1000 HA)
Area Harvested	300	131	228	300	145	245	0	0	260	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	260	194	181	260	215	318	0	0	330	(1000 MT)
MY Imports	819	646	753	625	685	790	0	0	830	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1079	840	934	885	900	1108	0	0	1160	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	984	790	887	800	837	1052	0	0	1100	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	95	50	47	85	63	56	0	0	60	(1000 MT)
Total Dom. Cons.	1079	840	934	885	900	1108	0	0	1160	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	1079	840	934	885	900	1108	0	0	1160	(1000 MT)
CY Imports	779	0	0	625	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 6: Soybean Production, Supply and Demand

Country	Pakistan									
Commodity	Oilseed, Soybean									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	0	0	0	(1000 HA)
Area Harvested	2	2	2	2	2	2	0	0	2	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	2	2	2	2	2	2	0	0	2	(1000 MT)
MY Imports	12	25	2	20	75	30	0	0	50	(1000 MT)
MY Imp. from U.S.	10	0	0	12	50	30	0	0	50	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	14	27	4	22	77	32	0	0	52	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Crush	12	25	0	20	75	28	0	0	48	(1000 MT)
Food Use Dom. Cons.	0	0	2	0	0	2	0	0	2	(1000 MT)
Feed Waste Dom. Cons.	2	2	2	2	2	2	0	0	2	(1000 MT)
Total Dom. Cons.	14	27	4	22	77	32	0	0	52	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	14	27	4	22	77	32	0	0	52	(1000 MT)
CY Imports	13	0	0	20	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	10	0	0	12	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

OIL MEAL

Production

MY 2007/08 Oilseed meal production is forecast to increase by 4 percent due to increased domestic oilseed production augmented with heavy imports. Key Imported oilseeds are canola and soybean; they will enhance local supplies available for domestic processing. The domestic crushing industry traditionally produced a product consisting of 72 percent cottonseed, 18 percent rapeseed, 9 percent sunflower seed and 1 percent soybean. With the removal of the taxation anomaly on soybean meal, its import on a commercial scale is a possibility provided freight charges are rationalized compared to competing oilseeds. Imports from India have a comparative advantage, but in future, Pakistani feed sector will need to develop alternative sources of soybean meal to meet expanding requirements. During MY 2006/07 meal production increased marginally.

Consumption

MY 2007/08 Meal requirements will increase in response to expanding Poultry and Livestock sector in Pakistan. Traditional feed rations are inadequate and contain minimal protein. Feed millers, increasingly conscious of meal quality, are applying soybean meal at an inclusion rate of 15 percent, up from the traditional 5-7 percent catering demand for higher quality protein meal. Recently, the Government has reduced taxes and duties on imported poultry feed ingredients, and feed milling equipment has been zero rated from a previous 5 percent. All poultry products are free of sales tax.

Trade

Soybeans are the most commonly imported meal. During MY 2007/08, soybean meal imports are projected to increase by 10 percent. Prospects of commercial trade with the USA are not so encouraging due to the threat of Avian Influenza to poultry and higher freight charges for import. In past years Pakistan imported large quantities of soybeans under the USDA's 416(b) and PL-480 programs.

TABLE 7: Total Oil Meal Production, Supply and Demand

Country	Pakistan									
Commodity	TOTAL OIL MEALS									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	5221	5202	5071	4864	5528	5446	0	0	5631	(1000 MT)
Extr. Rate, 999.9999	0.75	0.76	0	0.8	0.7733	0.7857	0	0	0.7826	(PERCENT)
Beginning Stocks	134	0	0	171	0	0	0	0	0	(1000 MT)
Production	2511	2503	2591	2335	2659	2617	0	0	2712	(1000 MT)
MY Imports	225	270	270	275	200	250	0	0	275	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	2870	2773	2861	2781	2859	2867	0	0	2987	(1000 MT)
MY Exports	3	3	3	3	3	3	0	0	3	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	2696	2770	2858	2859	2856	2864	0	0	2984	(1000 MT)
Total Dom. Cons.	2696	2770	2858	2859	2856	2864	0	0	2984	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	2870	2773	2861	2781	2859	2867	0	0	2987	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	234	289	270	291	258	272	0	0	311	(1000 MT)

Table 8: Cottonseed Meal Production, Supply and Demand

Country	Pakistan									
Commodity	Meal, Cottonseed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	3995	3850	4220	3820	4024	3851	0	0	3940	(1000 MT)
Extr. Rate, 999.9999	0.459825	0.4661	0.459716	0.459686	0.4662	0.459686	0	0	0.459686	(PERCENT)
Beginning Stocks	134	0	0	171	0	0	99	0	0	(1000 MT)
Production	1837	1794	1940	1756	1876	1770	0	0	1811	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1971	1794	1940	1927	1876	1770	99	0	1811	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	1800	1794	1940	1828	1876	1770	0	0	1811	(1000 MT)
Total Dom. Cons.	1800	1794	1940	1828	1876	1770	0	0	1811	(1000 MT)
Ending Stocks	171	0	0	99	0	0	0	0	0	(1000 MT)
Total Distribution	1971	1794	1940	1927	1876	1770	0	0	1811	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	1458.54	1453.67	1571.982	1481.22	1520.12	1434.231	0	0	1467.453	(1000 MT)

Table 9: Sunflower-seed Meal Production, Supply and Demand

Country	Pakistan									
Commodity	Meal, Sunflower seed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	218	546	333	224	592	515	0	0	545	(1000 MT)
Extr. Rate, 999.9999	0.43578	0.4377	0.43578	0.4375	0.4391	0.4375	0	0	0.4375	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	95	239	145	98	260	225	0	0	238	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	95	239	145	98	260	225	0	0	238	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	95	239	145	98	260	225	0	0	238	(1000 MT)
Total Dom. Cons.	95	239	145	98	260	225	0	0	238	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	95	239	145	98	260	225	0	0	238	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	89.69	225.66	136.90	92.53	245.49	212.44	0	0	224.71	(1000 MT)

Table 10: Rapeseed Meal Production, Supply and Demand

Country	**Pakistan**									
Commodity	**Meal, Rapeseed**									
	2005 Revised			**2006 Estimate**			**2007 Forecast**			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	984	790	887	800	800	1052	0	0	1100	(1000 MT)
Extr. Rate, 999.9999	0.579268	0.570886	0.570462	0.58125	0.5812	0.570342	0	0	0.57	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	570	451	506	465	465	600	0	0	627	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	570	451	506	465	465	600	0	0	627	(1000 MT)
MY Exports	3	3	3	3	3	3	0	0	3	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	567	448	503	462	462	597	0	0	624	(1000 MT)
Total Dom. Cons.	567	448	503	462	462	597	0	0	624	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	570	451	506	465	465	600	0	0	627	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	3	0	3	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	403.425	318.752	357.884	330.84	328.71	424.76	0	0	443.97	(1000 MT)

Table 11: Soybean Meal Production, Supply and Demand

Country	Pakistan									
Commodity	Meal, Soybeans									
	2005 Revised			**2006 Estimate**			**2007 Forecast**			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	12	5	0	20	75	28	0	0	46	(1000 MT)
Extr. Rate, 999.9999	0.75	0.76	0	0.8	0.773333	0.785714	0	0	0.782609	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	9	19	0	16	58	22	0	0	36	(1000 MT)
MY Imports	225	270	270	275	200	250	0	0	275	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	234	289	270	291	258	272	0	0	311	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	234	289	270	291	258	272	0	0	311	(1000 MT)
Total Dom. Cons.	234	289	270	291	258	272	0	0	311	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	234	289	270	291	258	272	0	0	311	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	234	289	270	291	258	272	0	0	311	(1000 MT)

OILS

Production

Pakistan is a deficit producer of edible oil, and is able to meet only 30-40 percent of consumption requirements despite efforts by the government to increase domestic production. MY 2007/08 oil productions is forecast to increase by 4 percent over the previous year based on anticipated increase in cotton, sunflower and rapeseed production. As for domestic production, cottonseed oil accounts for 40 percent, rapeseed oil for 37 percent, and sunflower oil for 22 percent. The share of oil produced from domestic oilseeds is expected to increase due to higher productivity of local oilseeds.

Consumption

MY 2007/08 Edible oil consumption is forecast to increase by 5 percent based on economic and population growth. “Ghee” (i.e., shortening) which accounts for 70 percent of oil usage, is produced totally from palm and cottonseed oil. There is a growing awareness of negative health effects of saturated oils, particularly palm oil, and consumers are shifting, when they can afford it, from “ghee” to liquid oils.

Trade

Pakistan is one of the world’s major vegetable oil importers. Imported edible oils represent the fifth largest expenditure of foreign exchange by the country. In an effort to address the toll on the country’s foreign exchange reserve, the government is encouraging domestic production of oilseeds and oil. Despite this, production remains basically stagnant. The domestic market structure is inefficient, thus returns on oilseeds and by-products are weak and non-competitive with product sourced from the international market.

Pakistan is a price-sensitive market with relative prices for oils affecting the final import mix. Palm oil is the cheapest, thus the principal oil imported. With palm oil suppliers offering "flexibility" in contract terms and specifications the product is becoming even more attractive. However, with growing consumer awareness of the health qualities of vegetable oils, domestically produced liquid oils and other available products along with a small portion of soybean oil is expected to garner a larger share in the Pakistani diet, at the expense of imported palm oil.

MY 2007/08 oil imports are forecast to increase by 5 percent to 1.66 MMT.

During MY 2006/07, oil imports were 5 percent higher than the previous year to cope with the decreased local oilseed production. Increased Palm oil imports were attributed to greater availability of low-priced palm Olean, which is often blended with other liquid oils. In June 2002 the government lowered the import duty on palm Olean, making the duty at par with soybean oil. At the same time the duty on sunflower and rapeseed oils was raised which discouraged trade of such products.

Table 12: Oil Tariffs and Taxes

Commodity	Custom Duty	Sales tax on Import	Sales tax on Supply
RBD Palm Oil	Rs. 10,800	15 %	15%
RBD Palm Olein	Rs. 9,050	15 %	15%
RBD Soybean Oil	Rs. 10,200	15 %	15%
RBD Sunflower Oil	Rs. 16,800	15 %	15%
RBD Canola Oil	Rs. 16,800	15 %	15%

Stock

Typically Pakistan retains oil stocks levels equivalent to two months supply. Stocks are held both by producers and traders.

Table 13: Total Oil Production, Supply and Demand

Country	Pakistan									
Commodity	TOTAL OILS									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	5221	5202	5071	4864	5528	5446	0	0	5631	(1000 MT)
Extr. Rate, 999.9999	0.166	0.16	0	0.2	0.1733	0.1785	0	0	0.1739	(PERCENT)
Beginning Stocks	184	155	154	215	158	154	0	0	160	(1000 MT)
Production	871	909	799	788	975	951	0	0	991	(1000 MT)
MY Imports	1768	1580	1532	1765	1650	1614	0	0	1710	(1000 MT)
MY Imp. from U.S.	10	20	10	5	30	10	0	0	10	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	2823	2644	2485	2768	2783	2719	0	0	2861	(1000 MT)
MY Exports	53	0	0	60	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	105	90	99	108	89	104	0	0	106	(1000 MT)
Food Use Dom. Cons.	2418	2377	2212	2424	2511	2432	0	0	2580	(1000 MT)
Feed Waste Dom. Cons.	32	19	22	38	19	23	0	0	23	(1000 MT)
Total Dom. Cons.	2555	2486	2333	2570	2619	2559	0	0	2709	(1000 MT)
Ending Stocks	215	158	152	138	164	160	0	0	152	(1000 MT)
Total Distribution	2823	2644	2485	2768	2783	2719	0	0	2861	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 14: Cottonseed Oil Production, Supply and Demand

Country	Pakistan									
Commodity	Oil, Cottonseed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	3995	3850	3851	3820	4024	3851	0	0	3940	(1000 MT)
Extr. Rate, 999.9999	0.100	0.110	0.1006	0.1007	0.1100	0.1085	0	0	0.1007	(PERCENT)
Beginning Stocks	60	15	15	71	10	10	40	0	13	(1000 MT)
Production	402	424	388	385	443	388	0	0	397	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	462	439	403	456	453	398	40	0	410	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	27	27	27	27	27	27	0	0	27	(1000 MT)
Food Use Dom. Cons.	360	399	362	384	410	353	0	0	368	(1000 MT)
Feed Waste Dom. Cons.	4	3	4	5	3	5	0	0	5	(1000 MT)
Total Dom. Cons.	391	429	393	416	440	385	0	0	400	(1000 MT)
Ending Stocks	71	10	10	40	13	13	0	0	10	(1000 MT)
Total Distribution	462	439	403	456	453	398	0	0	410	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 15: Sunflower seed Oil Production, Supply and Demand

Country	Pakistan									
Commodity	**Oil, Sunflower seed**									
	2005 Revised			**2006 Estimate**			**2007 Forecast**			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	218	546	333	224	592	515	0	0	545	(1000 MT)
Extr. Rate, 999.9	0.3990	0.4011	0.3390	0.3973	0.402	0.397	0	0	0.3973	(PERCENT)
Beginning Stocks	4	5	5	4	6	6	4	0	5	(1000 MT)
Production	87	219	113	89	238	205	0	0	217	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	91	224	118	93	244	211	4	0	222	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	87	218	114	89	239	206	0	0	217	(1000 MT)
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Dom. Cons.	87	218	114	89	239	206	0	0	217	(1000 MT)
Ending Stocks	4	6	4	4	5	5	0	0	5	(1000 MT)
Total Distribution	91	224	118	93	244	211	0	0	222	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 16: Rapeseed Oil Production, Supply and Demand

Country	Pakistan									
Commodity	Oil, Rapeseed									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	984	781	887	800	837	1052	0	0	1100	(1000 MT)
Extr. Rate, 999.9999	0.386179	0.335467	0.335964	0.3875	0.335723	0.335551	0	0	0.335455	(PERCENT)
Beginning Stocks	35	17	16	56	16	15	0	0	15	(1000 MT)
Production	380	262	298	310	281	353	0	0	369	(1000 MT)
MY Imports	1	0	1	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	416	279	315	366	297	368	0	0	384	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	9	0	9	10	0	10	0	0	10	(1000 MT)
Food Use Dom. Cons.	350	262	290	335	281	342	0	0	358	(1000 MT)
Feed Waste Dom. Cons.	1	1	1	1	1	1	0	0	1	(1000 MT)
Total Dom. Cons.	360	263	300	346	282	353	0	0	369	(1000 MT)
Ending Stocks	56	16	15	20	15	15	0	0	15	(1000 MT)
Total Distribution	416	279	315	366	297	368	0	0	384	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 17: Soybean Oil Production, Supply and Demand

Country					**Pakistan**					
Commodity					**Oil, Soybean**					
	2005 Revised			**2006 Estimate**			**2007 Forecast**			UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	12	25	0	20	75	28	0	0	46	(1000 MT)
Extr. Rate, 999.9999	0.166667	0.16	0	0.2	0.173333	0.178571	0	0	0.173913	(PERCENT)
Beginning Stocks	5	5	5	2	5	2	0	0	2	(1000 MT)
Production	2	4	0	4	13	5	0	0	8	(1000 MT)
MY Imports	17	80	27	15	100	35	0	0	50	(1000 MT)
MY Imp. from U.S.	10	20	10	5	30	10	0	0	10	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	24	89	32	21	118	42	0	0	60	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	6	2	2	6	2	2	0	0	2	(1000 MT)
Food Use Dom. Cons.	14	82	26	9	110	36	0	0	54	(1000 MT)
Feed Waste Dom. Cons.	2	0	2	2	0	2	0	0	2	(1000 MT)
Total Dom. Cons.	22	84	30	17	112	40	0	0	58	(1000 MT)
Ending Stocks	2	5	2	4	6	2	0	0	2	(1000 MT)
Total Distribution	24	89	32	21	118	42	0	0	60	(1000 MT)
CY Imports	0	0	0	15	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Table 18: Palm Oil production, Supply and Demand

Country	Pakistan									
Commodity	Oil, Palm									
	2005 Revised			2006 Estimate			2007 Forecast			UOM
	USDA Official	Post Estimate 10/2005	Post Estimate New 10/2005	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate 10/2007	Post Estimate New	
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	0	0	0	(1000 HA)
Area Harvested	0	0	0	0	0	0	0	0	0	(1000 HA)
Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	80	113	113	82	121	121	0	0	125	(1000 MT)
Production	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imports	1750	1500	1504	1750	1550	1579	0	0	1660	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1830	1613	1617	1832	1671	1700	0	0	1785	(1000 MT)
MY Exports	53	0	0	60	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	63	61	61	65	60	65	0	0	65	(1000 MT)
Food Use Dom. Cons.	1606	1416	1420	1607	1471	1495	0	0	1585	(1000 MT)
Feed Waste Dom. Cons.	26	15	15	30	15	15	0	0	15	(1000 MT)
Total Dom. Cons.	1695	1492	1496	1702	1546	1575	0	0	1665	(1000 MT)
Ending Stocks	82	121	121	70	125	125	0	0	120	(1000 MT)
Total Distribution	1830	1613	1617	1832	1671	1700	0	0	1785	(1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)